

Message Text

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PASS AGRICULTURE ELECTRONICALLY

E.O. 11652: N/A
TAGS: EAGR, EEC
SUBJECT: EC COMMISSIONER OF AGRICULTURE GUNDELACH'S FIRST PUBLIC
STATEMENT ON AGRICULTURE

FOLLOWING IS AN UNOFFICIAL SUMMARY OF REMARKS MADE BY THE NEW
EC COMMISSIONER FOR AGRICULTURE , FINN OLAV GUNDELACH, AT THE
JANUARY 27 MEETING OF THE EC CONOMIC AND SOCIAL COMMITTEE.
THE SUMMARY WAS OBTAINED FROM THE PRESS OFFICE OF THE COMMITTEE.
THIS COMMITTEE IS A CONSULTATIVE BODY COMPOSED OF REPRESENTATIVES
OF PRODUCES, FARMERS, LABOR, I.E., ALL MAJOR SECTORS OF THE EC
ECONOMY.
BEGIN QUOTE: "MR. FINN OLAV GUNDELACH, VICE PRESIDENT OF THE
COMMISSION, EXPRESSED THE GRATITUDE TO THE COMMISSION TO THE
ECONOMIC AND SOCIAL COMMITTEE FOR FOCUSING ATTENTION ON THE
INTERNATIONAL ASPECTS OF THE COMMON AGRICULTURAL POLICY. THE
EUROPEAN COMMUNITY HAD A RESPONSIBILITY FOR MEETING FOOD
SHORTAGES IN THE WORLD, BUT AN ANALYSIS OF THE CAP'S ROLE IN
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THIS RESPECT WOULD HAVE TO REACH THE RICHT CONCLUSIONS.
THERE CERTAINLY EXISTED A NEED FOR MORE MILK AND BUTTER IN
THE WORLD, BUT IT WOULD BE IDLE TO PRETEND THAT THE COMMUNITY
COULD GET RID OF ITS EXCESSIVE SURPLUSES BY A MASSIVE EXPORT
DRIVE. A CRITICAL ANALYSIS WAS NEEDED AND THE COMMITTEE HAD
PROVIDED AN EXCELLENT STIMULUS IN THAT FIELD. MR. GUNDELACH
ALSO RAISED THE PROBLEM OF IMBALANCES IN TRADE IN AGRICULTURAL

PRODUCTS. THE EUROPEAN COMMUNITY WAS IMPORTING MORE THAN IT WAS EXPORTING AND THIS DEFICIT WAS VERY PRONOUNCED IN RELATIONS WITH THE UNITED STATES. WHILE A GOOD DEAL HAD TO BE DONE TO BRING OUR HOUSE IN ORDER, MR. GUNDERLACH SAID, WE COULD NOT BE ACCUSED OF HAVING INFLICTED ANY DAMAGE ON OTHER COUNTRIES BY OUR TRADE POLICIES. IN THIS RESPECT, WE WOULD ENTER INTO NEGOTIATIONS ON INTERNATIONAL TRADE, WHICH ARE DUE TO TERMINATE AT THE END OF THIS YEAR, WITHOUT A SENSE OF GUILT. THE UNITED STATES, IT SHOULD NOT BE FORGOTTEN, WAS NOT THE MOST OPEN OR UNPROTECTED MARKET IN THE WORLD. WE WOULD LIKE TO SAY TO THE INCOMING UNITED STATES ADMINISTRATION, 'LET US STOP THIS TRENCH WARFARE WE HAVE HAD BETWEEN THE UNITED STATES AND THE EUROPEAN COMMUNITY FOR THE LAST FIFTEEN YEARS.' WHAT WE WOULD LIKE IS TO REACH COMMODITY AGREEMENTS AND TO PROVIDE FOR STOCKS WHICH STABILIZE WORLD MARKETS. SHOULD THE NEW U.S. ADMINISTRATION AGREE, AND MR. GUNDELACH EXPRESSED THE HOPE THAT IT WOULD DO SO, IT MIGHT ASK HOW DOES THE COMMUNITY INTEND THIS TO BE CARRIED OUT IN DETAIL. THIS IS WHY HE WELCOMED THE COMMITTEE'S OPINION AS A MEANS TO STIMULATE DISCUSSION IN THIS FIELD. THE NEW COMMISSION WOULD HAVE TO GIVE THOUGHT TO THE COMMON AGRICULTURAL POLICY'S INTERNATIONAL ASPECT IN A COHERENT FORM.

"ONE OF THE PRINCIPLES OF THE CAP IN THE PAST HAS BEEN THAT THE PRICE MECHANISM SHOULD BE ITS MAIN ELEMENT. EXPERIENCE HAD SHOWN THAT THE PLANNING OF ECONOMIES, ESPECIALLY IN AGRICULTURE, HAS NOT BEEN POSITIVE. THE CAP HAS BROUGHT STABILITY FOR FARMERS AND CONSUMERS IN THE GHE WILD FLUCTUATIONS WHICH HAVE AFFECTED WORLD MARKETS HAVE LEFT EUROPE UNCLASSIFIED

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RELATIVELY UNSCATHED. THE QUESTION NOW AROSE WHETHER A PRICE POLICY WAS SUFFICIENT TO SOLVE PRESENT PROBLEMS. THERE WERE LIMITS TO WHAT IT COULD DO. GREATER ATTENTION TO MARKET DEVELOPMENTS WAS NEEDED AND, IN HIS VIEW, THE CAP HAD TO BE LINKED WITH GENERAL POLITICAL MEASURES, SUCH AS THOSE WHICH WERE NEEDED TO COMBAT INFLATION AND UNEMPLOYMENT. THE CAP MUST BE AN INTEGRAL AND ORGANIC PART OF ALL OTHER POLICIES. IT COULD NOT STAND ALONE WITHOUT A PROPER EUROPEAN MONETARY POLICY, TOWARDS WHICH SIGNIFICANT STEPS OUGHT TO BE TAKEN, AN ENERGY POLICY, AND A BROADER POLICY IN THE SOCIAL FIELD AS WELL. MERELY TO HAVE AN EXTERNAL TRADE POLICY, WHICH MIGHT HAVE BEEN EFFECTIVE IN THE SIXTIES, WAS NOT ENOUGH. WHAT WAS REQUIRED, IN ADDITION, WAS A MORE COHERENT EXTERNAL ECONOMIC POLICY, BE IT AMONG INDUSTRIALIZED NATIONS OR BETWEEN INDUSTRIALIZED NATIONS ON THE ONE HAND AND DEVELOPING NATIONS ON THE OTHER, OR BE IT BETWEEN THE COMMUNITY AND EASTERN COUNTRIES. WITHOUT THESE POLICIES, THE CAP WILL BE IN DIRE DIFFICULTIES. TO CONDUCT A PRICE POLICY WHICH TAKES INTO ACCOUNT THE INTERESTS OF CONSUMERS, OF FARMERS AND OF INFLATION, INVOLVES RESTRAINT. WE HAVE MANY

POOR FARMERS, WHO COULD NOT STAND THE ECONOMIC STRAIN THIS INVOLVES FOR A LONG TIME, HE SAID. THIS MEANS THAT OUR GENERAL APPROACH IS TO BRING ABOUT THE NECESSARY TRANSFORMATION OF AGRICULTURAL POLICY, NOT SUDDENLY, BUT OVER A PERIOD, SO THAT SOCIALLY ACCEPTABLE CHANGES CAN BE GRADUALLY INTRODUCED, SUCH AS TYPES OF AGRICULTURAL PRODUCTION OTHER THAN THOSE WHICH CREATE SURPLUSES, OR OTHER ECONOMIC ACTIVITIES, PREFERABLY IN AREAS WHERE THEY NOW RESIDE.

"MR. GUNDELACH CONCLUDED BY UNDERLINING THAT ALL PROBLEMS OF THE COMMON AGRICULTURAL POLICY COULD NOT BE SOLVED BY AN AGGRESSIVE POLICY OF INTERNATIONAL TRADING. A CERTAIN AMOUNT OF PROTECTION FOR EUROPEAN AGRICULTURE WOULD REMAIN NECESSARY TO AVOID HEAVY UNEMPLOYMENT. THIS MEANT THAT EUROPEAN PRICES WOULD REMAIN GENERALLY ABOVE WORLD MARKET PRICES-- IT IS TRUE THEY HAD SOMETIMES DROPPED BELOW THIS LEVEL, BUT THAT COULD NOT BE CONSIDERED THE RULE. THIS BASIC FACTOR MEANT THAT THE POLICY

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INVOLVED EXPORT REFUNDS, WHICH COULD NOT BE AVOIDED. THERE WERE LIMITS TO THESE REFUNDS, BUT SALVATION DID NOT LIE OUTSIDE THE COMMUNITY. THE MAIN PROBLEM OF THE CAP WAS IN ITS INTERNAL ASPECTS AND THESE HAD TO BE PUT RIGHT. THEY COULD NOT EFFECT CHANGES IN ONE SUDDEN SWOOP, BUT SLOWLY AND SURELY, THE COMMON AGRICULTURAL POLICY HAD TO BE ADAPTED TO THE 1980'S" END QUOTE.

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